Interim Report Quarters 1–3/2022

The Power
to Transform

Verbund

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KPIs

	Unit	Q1–3/2021	**Q1–3/2022**	Change
Revenue	€m	2,819.8	**7,617.3**	170.1%
EBITDA	€m	1,150.6	**1,933.3**	68.0%
EBITDA adjusted	€m	1,150.6	**1,933.3**	68.0%
Operating result	€m	843.6	**1,621.7**	92.2%
Group result	€m	587.4	**1,065.2**	81.4%
Group result adjusted	€m	566.2	**982.6**	73.5%
Earnings per share	€	1.69	**3.07**	81.4%
EBIT margin	%	29.9	**21.3**	–
EBITDA margin	%	40.8	**25.4**	–
Cash flow from operating activities	€m	510.6	**1,120.8**	119.5%
Additions to property, plant and equipment	€m	430.0	**811.4**	88.7%
Free cash flow before dividends	€m	–264.1	**–150.5**	–
Free cash flow after dividends	€m	–595.8	**–628.4**	–
Average number of employees		3,110	**3,487**	12.1%
Electricity sales volume	GWh	44,194	**47,995**	8.6%
Hydro coefficient		0.99	**0.84**	–
New renewables coefficient		0.88	**1.01**	

	Unit	31/12/2021	**30/9/2022**	Change
Total assets	€m	17,111.6	**23,237.3**	35.8%
Equity	€m	6,362.9	**5,030.3**	–20.9%
Equity ratio (adjusted)	%	38.2	**22.1**	–
Net debt	€m	3,510.8	**4,505.7**	28.3%
Gearing	%	55.2	**89.6**	–

Report of the Executive Board

Dear Shareholders,

Tough geopolitical and energy market developments cast a shadow over VERBUND in quarter 3/2022. The ongoing war in Ukraine, record inflation and expectations of interest rate hikes were the principal factors impacting on the Group's business performance. The difficult conditions caused significant distortion in Europe's energy markets above all and presented challenges that led to rocketing prices and price volatility as well as to massive changes in supply and demand structures. Prices for primary energy sources shot up during the course of the year, with gas prices in particular being hugely affected by changes in gas supply volumes and the off-take structure. European wholesale prices for electricity continued to rise as a result of soaring global market prices for primary energy and the increasing risks, reaching fresh highs.

In response to the headwinds in the European energy sector and to address the severe impending price pressure facing all customer groups, national and EU-level discussions on short- and long-term market intervention and skimming off of profits began with the intention of bringing down the extremely high energy prices and giving countries financial scope to reduce prices to the consumer. These discussions and decisions relating to market intervention generated uncertainty in the capital markets and also pushed down VERBUND's share price.

As a consequence of the dry summer, the volume of electricity VERBUND generated from its run-of-river power plants in quarter 3/2022 was well below average. The hydro coefficient was 0.75. Especially in July (0.71) and August (0.69), the hydro coefficient was significantly below the long-term average. The coefficient for quarters 1–3/2022 was 0.84. The reduced volume of electricity generated from hydropower had a pronounced negative impact on the development of earnings. The underproduction of hydroelectricity made it necessary to purchase large volumes of electricity so that the electricity volumes that had already been sold on the basis of the long-standing hedging strategy could be delivered. Due to the market conditions, some of these purchases had to be made at exceedingly high prices, which put additional pressure on earnings. Another challenge in the European energy sector was the margining payments for hedging transactions in electricity trading provided as security for open positions held with exchange clearing houses. VERBUND overcame this challenge without suffering adverse effects thanks to its foresighted financial planning, excellent credit standing and the timely increase in credit lines. However, measurement effects arising from customary hedging transactions in the energy sector for own generation had a material adverse effect on the Group's result. These effects will essentially be offset in subsequent periods by the realisation of the underlying transactions.

Particularly in these challenging times, VERBUND's management is keeping strictly to its sustainable 2030 strategy. We will continue our strategy of investing heavily in our traditional core business of hydropower and power grids as well as in the expansion of renewable generation and the development of Europe's hydrogen economy so that VERBUND can make an important contribution to ensuring security of supply in Austria and Europe and further advance its decarbonisation efforts.

We achieved further milestones in this context in quarter 3/2022, not only in relation to hydropower and renewables, but also in the Grid segment.

The Töging hydropower plant was inaugurated on 30 September. Thanks to the rehabilitation and the expansion of capacity, maximum electrical capacity of 118 MW is now available instead of 85 MW and 700 GWh rather than 560 GWh of electricity will be able to be generated in the future.

Given VERBUND's 2030 strategy of achieving marked growth in solar and wind power with the objective of producing around 20 – 25% of total electricity generated from photovoltaic systems and onshore wind farms by 2030, entering the Spanish market from 2021 represented a major milestone. VERBUND took another step in pursuit of this goal in quarter 1/2022 when it acquired a 70% share of four wind farms developed by Capital Energy and one photovoltaic farm in Spain with total capacity of 171 MW. The contract for another acquisition in Spain was signed in quarter 2/2022. In this transaction, VERBUND acquired a regulated operating photovoltaic portfolio with total installed capacity of 82 MWp along with an extensive development platform. The transaction closed at the end of July 2022. VERBUND's Pinos Puente solar park near Granada was likewise inaugurated on 28 September 2022. The solar park, which will have a planned total capacity of 147.6 MWp, will generate approximately 260 GWh of zero-emissions electricity per year.

In the Grid segment, the highlight in the quarter now ended was the commissioning on schedule of the Weinviertel line and the new substation in Neusiedl an der Zaya by Austrian Power Grid AG (APG). The completed Weinviertel line makes a decisive contribution to the secure power supply of Austria in APG's high-voltage grid. The connected load corresponds to that of eight Danube power plants. The Weinviertel line is therefore essential for the success of the energy transition in terms of security of supply and for the electrification of industry, the economy and society in the entire eastern region.

VERBUND saw a significant improvement in the results posted for quarters 1 – 3/2022. EBITDA climbed by 68.0% to €1,933.3m. The Group result surged by 81.4% to €1,065.2m compared with the same period of the previous year. While earnings were diminished by the effects described above, such as the low water supply, the resulting electricity purchases at exceedingly high prices and the negative measurement effects, they received a boost from the sharp increase in wholesale electricity prices on the futures and spot markets in particular. Average sales prices obtained for VERBUND's own generation from hydropower rose by €60.3/MWh to €111.6/MWh. The consolidation of Gas Connect Austria GmbH (GCA), the regulated gas transmission and distribution system operator in Austria acquired with effect from 31 May 2021, and the significantly higher contribution from flexibility products also had a positive effect. The Group result for quarters 1 – 3/2022 was influenced by non-recurring effects of €82.6m (Q1 – 3/2021: €21.2m). Adjusted for these non-recurring effects, the Group result rose by 73.5% to €982.6m.

Based on average own generation from hydropower, wind power and photovoltaic production in quarter 4/2022 and the opportunities and risks currently identified, VERBUND expects EBITDA of between approximately €2,800m and €3,300m and a reported Group result of between approximately €1,530m and €1,880m in financial year 2022. VERBUND is also planning a payout ratio for 2022 of between 45% and 55% of the Group result of between around €1,450m and €1,800m, after adjustment for non-recurring effects. The earnings forecast and the information on the expected payout ratio are contingent on VERBUND not being impacted further by possible energy policy measures to skim off some of the profits at energy companies.

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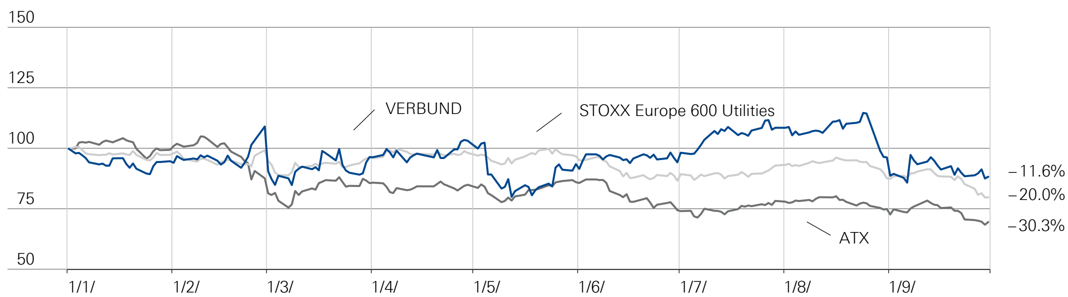
The economic situation deteriorated further in quarter 3/2022 due to the continuing war in Ukraine, new record levels of inflation and expectations of rising interest rates as well as dramatic rate hikes by the US Federal Reserve and European central banks. In parallel, primary energy prices and hence energy prices reached new record highs. Some countries have already entered the feared recession, and there are concerns that others will follow. The supply chain difficulties persisted in the quarter now ended, constituting a dominant and unresolved issue. Towards the end of quarter 3/2022, COVID infection rates started rising again after a relatively relaxed summer.

The US benchmark index Dow Jones Industrial Average ended quarters 1 – 3/2022 down 20.9%. The Euro Stoxx 50 turned in an even worse performance, closing 22.8% lower than at year-end 2021. By contrast, the Japanese benchmark index Nikkei 225 finished the quarter down just 9.9% on 31 December 2021.

VERBUND share price: relative performance 2022



Upcoming dates:
2022 annual results:
16 March 2023

In addition to the above-mentioned macroeconomic factors, the deepening debate and decisions on capping electricity prices and skimming off excess profits at both an Austrian and a European level acted as a drag on VERBUND's share price in quarter 3/2022. After reaching their high on 28 February, which was followed by a correction triggered by a debate in Europe about possible market intervention to combat soaring raw material prices in the international procurement markets, the shares witnessed a volatile sideways movement lasting until the end of quarter 1/2022. Having risen again at the start of quarter 2/2022, share prices plummeted once more in early May on public political statements made about skimming off excess profits from state-owned companies. VERBUND's share price subsequently rebounded again, especially once the news broke that VERBUND's Executive Board was proposing a special dividend of €400m for the 2022 financial year. After reaching a fresh all-time high of €113.6 on 24 August 2022, the shares underwent a massive correction on 29 August 2022. Along with a slump in the wholesale prices for electricity, this was partly due to European Commission President von der Leyen's announcement about emergency intervention in the electricity market coupled with statements by Federal Reserve Chair Jerome Powell about further imminent rate hikes to curb high inflation. Even VERBUND shares were unable to escape this trend. A brief rally followed before the share price embarked on a downtrend that lasted until the end of quarter 3/2022, albeit not as pronounced as before. Trading at a closing price of €87.5 as at 30 September 2022, VERBUND shares recorded a loss of 11.6% in quarters 1 – 3/2022 against year-end 2021, which meant that the stock still outperformed the Austrian benchmark index ATX (–30.3%) and the sector index STOXX Europe 600 Utilities (–20.0%) by a large margin.

KPIs – shares

	Unit	Q1–3/2021	**Q1–3/2022**	Change
Share price high	€	95.6	113.6	18.9%
Share price low	€	59.6	79.2	32.9%
Closing price	€	87.7	87.5	–0.3%
Performance	%	25.6	–11.6	–
Market capitalisation	€m	30,468.4	30,381.5	–0.3%
ATX weighting	%	10.3	13.8	–
Value of shares traded	€m	6,201.6	5,955.5	–4.0%
Shares traded per day	Shares	446,152	326,985	–26.7%

Interim Group management report

Business performance

Electricity supply and sales volume

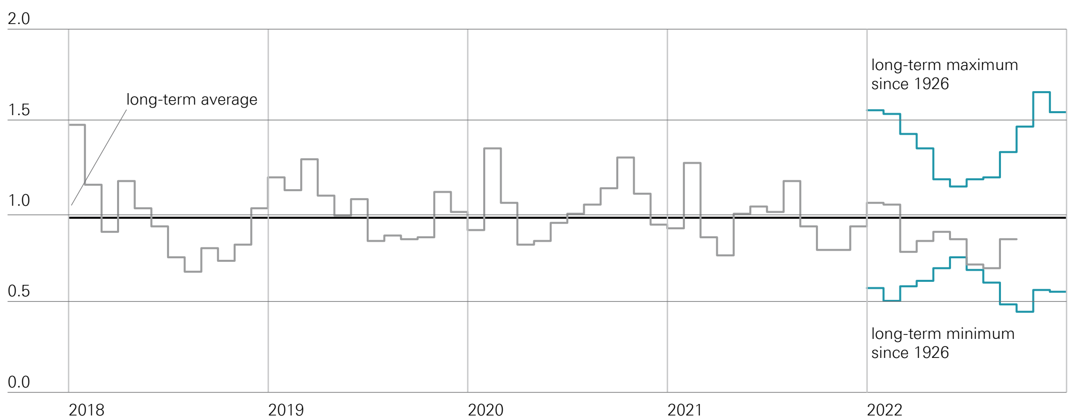
Group electricity supply GWh

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Hydropower[1]	23,680	20,836	– 12.0%
Wind power	587	718	22.4%
Solar power	2	4	–
Thermal power	313	879	–
Own generation	24,581	**22,437**	– 8.7%
Electricity purchased for trading and sales	19,934	26,132	31.1%
Electricity purchased for grid loss and control power volumes	2,671	2,965	11.0%
Electricity supply	47,186	**51,533**	9.2%

[1] incl. purchase rights

VERBUND's own generation was down by 2,144 GWh to 22,437 GWh as at the end of quarters 1 – 3/2022, a decrease of 8.7% compared with the same period in 2021. Generation from hydropower fell by 2,844 GWh versus the prior-year reporting period. The hydro coefficient for the run-of-river power plants dropped to 0.84, or 16 percentage points below the long-term average and 15 percentage points lower than the comparative prior-year figure. By contrast, generation from VERBUND's annual storage power plants rose slightly by 2.5% in quarters 1 – 3/2022, due largely to higher generation from turbining.

Hydro coefficient (monthly averages)



The volume of electricity generated by VERBUND's wind power plants in quarters 1 – 3/2022 was up 132 GWh on the figure for the prior-year period thanks to the increased wind supply and the commissioning of installations in Spain. Electricity generated from proprietary photovoltaic installations totalled 3.5 GWh in the reporting period.

Generation from thermal power plants increased by 566 GWh year-on-year due in particular to the market-driven operations of the Mellach combined cycle gas turbine power plant (Mellach CCGT) in connection with the agreement to supply district heating.

Electricity purchased from third parties for trading and sales increased by 6,197 GWh in quarters 1 – 3/2022. Electricity purchased from third parties for grid loss and control power volumes rose by 294 GWh in the reporting period.

Group electricity sales volume and own use

GWh

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Consumers	10,581	10,757	1.7%
Resellers	19,734	21,322	8.0%
Traders	13,879	15,916	14.7%
Electricity sales volume	44,194	**47,995**	8.6%
Own use	2,242	2,898	29.3%
Control power	750	640	– 14.7%
Electricity sales volume and own use	47,186	**51,533**	9.2%

VERBUND's electricity sales volume rose by 3,801 GWh, or 8.6%, in quarters 1 – 3/2022. The increase was spread across all segments. Sales to consumers were up marginally by 1.7% or 176 GWh (the customer base at 30 September 2022 comprised around 527,000 electricity and gas customers), while sales to resellers rose by 1,588 GWh. Sales to traders increased by 2,037 GWh on the back of higher delivery volumes to international customers. In relation to sales to resellers, the increase was attributable to higher deliveries both in and outside Austria. Own use of electricity rose by 656 GWh in quarters 1 – 3/2022.
This increase is mainly due to increased operation of the power plants in turbining mode.

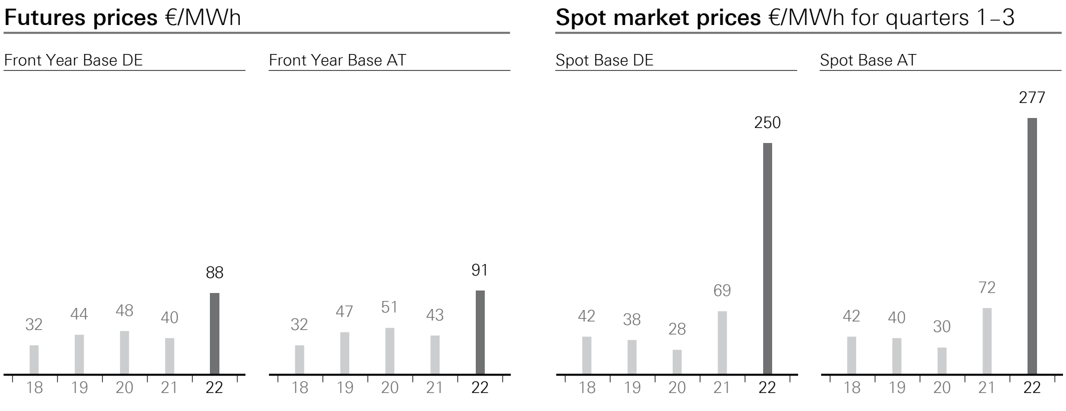
Electricity sales by country

GWh

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Austria	25,114	23,382	– 6.9%
Germany	15,456	20,683	33.8%
France	3,088	3,322	7.6%
Others	536	608	13.5%
Electricity sales volume	44,194	**47,995**	8.6%

Approximately 49% of the electricity sold by VERBUND in quarters 1–3/2022 went to the Austrian market. The German market, which accounted for around 84% of all volumes sold abroad in quarters 1–3/2022, was VERBUND's largest foreign market for its international trading and sales activities.

Electricity prices



Futures prices traded in the year before supply. The years stated are the respective years of supply.
2018: Market area Germany/Austria. Starting 2019: Market area Germany or Austria respectively.
Spot prices 2018: Market area Germany/Austria. Starting 2019: Market area Germany or Austria respectively. Average prices.

Source: EEX, EPEX Spot

VERBUND contracted for most of its own generation for 2022 on the futures market back in 2020 and 2021. Ever since the split of the joint German-Austrian price zone in October 2018, separate, higher prices have prevailed in Austria. Prices for AT 2022 front-year base load contracts (traded in 2021) averaged €91.3/MWh, and prices for DE 2022 front-year base load contracts averaged €88.4/MWh. Compared with the prior-year reporting period, futures market prices thus increased significantly by 113.0% (AT) and 120.1% (DE). Front-year peak load (AT) contracts traded at an average of €110.1/MWh and front-year peak load (DE) contracts traded at €107.2/MWh. Futures market prices in this area thus also increased year-on-year by 111.7% (AT) and 118.6% (DE).

On both the Austrian and German spot markets, wholesale trading prices for electricity ballooned in quarters 1–3/2022. Prices for base load electricity increased by an average of 282.0% to €277.0/MWh in Austria and by 261.7% to €250.2/MWh in Germany. Prices for peak load rose by 276.9% to €312.2/MWh in Austria and by 256.1% to €276.1/MWh in Germany.

The spike in electricity prices is mainly fuelled by rising gas prices. This in turn is caused by increased demand for gas following the pandemic, lower gas stocks and fears of shortages. The war in Ukraine and the uncertainty it has generated have further compounded the situation.

Financial performance

Results €m

	Q1 – 3/2021	Q1 – 3/2022	Change
Revenue	2,819.8	7,617.3	170.1%
EBITDA	1,150.6	1,933.3	68.0%
Operating result	843.6	1,621.7	92.2%
Group result	587.4	1,065.2	81.4%
Earnings per share in €	1.69	3.07	81.4%

Electricity revenue

VERBUND's electricity revenue rose by €4,210.7m to €6,489.8m in quarters 1 – 3/2022. The sharp increase in electricity revenue can be attributed to the massive increase in wholesale electricity prices. Both futures and spot market prices surged. The average sales price obtained for our own generation from hydropower rose by €60.3/MWh to €111.6/MWh. In terms of quantities, electricity sales volumes increased by 3,801 GWh, or 8.6%, year-on-year.

Grid revenue

Grid revenue increased by €471.1m to €921.1m in quarters 1 – 3/2022 compared with the prior-year period. The revenue increase at Austrian Power Grid AG (APG) of €293.0m is due in particular to higher revenue from control power and balancing services. The sharp rise in revenue from international auctions and positive price effects on national grid tariffs also had a major part in this increase. The consolidation of Gas Connect Austria GmbH (GCA), the regulated gas transmission and distribution system operator in Austria acquired with effect from 31 May 2021, also lifted grid revenue.

Other revenue and other operating income

Other revenue rose by €115.7m to €206.4m. District heating revenue rose significantly due to the inception of the new agreement to supply district heating from the Mellach CCGT at 1 October 2021. Higher proceeds from the sale of green electricity certificates and emission allowances as well as from the gas trading business also had a positive effect. Other operating income rose by €34.7m to €91.0m. This is mainly attributable to changes in inventories in connection with green electricity certificates as well as to an increase in receivables.

Expenses for electricity, grid, gas and certificates purchases

Expenses for electricity, grid, gas and certificate purchases increased by €3,780.6m to €5,108.6m. A total of 6,491 GWh more electricity was purchased from third parties for trading and sales as well as for grid loss and control power volumes. The higher procurement prices arising from higher price levels for wholesale electricity gave rise to a significant increase in expenses. Expenses for electricity purchases thus increased by €3,663.0m compared with the previous year. Expenses for grid purchases fell by €0.5m and expenses for gas purchases rose by €105.1m.

Fuel expenses

Fuel and other usage-/revenue-dependent expenses were up €295.2m to €330.7m. There was a marked increase in gas expenses, precipitated in particular by the steep rise in gas prices. Production was also up year-on-year (for details please refer to the section entitled Electricity supply and sales volume). Another contributing factor to the increased expenditure was the higher expenses for emission allowances, likewise attributable to the significant price increases and higher generation volumes.

Personnel expenses

Personnel expenses were up €34.6m year-on-year to €313.5m. This increase is due to the consolidation of GCA and SMATRICS GmbH & Co KG, the hiring of additional employees for the implementation of strategic growth projects in particular and the 3.6% to 4.0% increase in pay rates under the collective bargaining agreement.

Other operating expenses

Other operating expenses rose by €48.1m to €252.2m. The increase was attributable to the consolidation of GCA, an increase in goods and services purchased for third-party maintenance of power plants and higher IT expenses.

Measurement and realisation of energy derivatives

Starting in the 2021 reporting period, the result from the measurement and realisation of energy derivatives for which hedge accounting in accordance with IFRS 9 is not applied is no longer presented under revenue and electricity, grid, gas and certificates purchases but combined in a separate item entitled Measurement and realisation of energy derivatives. In quarters 1 – 3/2022, the result amounted to €230.0m (Q1 – 3/2021: €121.1m). This account includes €541.5m (Q1 – 3/2021: €112.5m) from the realisation of energy derivatives, offset by countervailing effects in revenue and/or procurement cost. The measurement and realisation of energy derivatives for future delivery periods is €– 311.5m (Q1 – 3/2021: €8.6m). Further details are presented in the notes to the consolidated interim financial statements.

EBITDA

As a result of the above-mentioned factors, EBITDA rose by 68.0% to €1,933.3m.

Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment rose by €29.3m to €335.7m. Along with the first-time consolidation of GCA, this is also due to an increase in the investment volume at APG and in hydropower operations.

Impairment losses

The impairment losses of €31.9m mainly related to the goodwill charge on GCA (€16.8m) and the Gratkorn run-of-river power plant (€12.9m). Further details are presented in the notes to the consolidated interim financial statements.

Reversal of impairment losses

Reversals of impairment losses amounted to €56.0m and were due to the reversal of the impairment losses on the Mellach CCGT. Further details are presented in the notes to the consolidated interim financial statements.

Result from interests accounted for using the equity method

The result from interests accounted for using the equity method decreased by €17.9m to €9.8m. This is mainly due to the earnings contributions from KELAG-Kärntner Elektrizitäts-Aktiengesellschaft in the amount of €13.1m (Q1 – 3/2021: €28.2m; see the section entitled All other segments for more information) and from Trans Austria Gasleitung GmbH (TAG) in the amount of €– 3.4m (Q1 – 3/2021: €1.1m).

Interest income and expenses

Interest income decreased by €2.6m to €26.8m compared with quarters 1 – 3/2021. Interest expenses rose by €11.0m to €68.9m. This increase is partly due to the issuance of a €500m bond in April 2021 and to higher net interest charged on money market transactions.

Other financial result

The other financial result fell by €10.1m to €10.4m in quarters 1 – 3/2022. This was chiefly attributable to the measurement of an obligation to return an interest (€+ 15.4m) relating to the Jochenstein power plant on the Danube River as well as the measurement of a profit participation right with respect to material assets (€– 11.3m) in respect of TAG. In addition, the measurement of securities funds through profit or loss in accordance with IFRS 9 had a negative effect (€– 13.9m).

Impairment losses in the financial result

The impairment losses of €4.2m resulted from the impairment charge on TAG (€3.3m) and the impairment charge on Ashta Beteiligungsverwaltung GmbH (€0.9m). Further details are presented in the notes to the consolidated interim financial statements.

Taxes on income

Taxes on income rose by €141.1m to €347.9m. In quarters 1–3/2022 the figure for taxes on income includes a positive non-recurring effect in the amount of €56.6m. This effect results from the revaluation of deferred tax as a consequence of the decision to lower Austria's corporate income tax rate from 25% to 24% in 2023 and from 24% to 23% beginning in 2024 in connection with the Eco-social Tax Reform Act (Ökosoziales Steuerreformgesetz, ÖkoStRefG).

Group result

After taking account of an effective tax rate of 22.2% and non-controlling interests in the amount of €178.2m, the Group result amounted to €1,065.2m. This represents an increase of 81.4% against the previous year. Earnings per share amounted to €3.07 (Q1–3/2021: €1.69) for 347,415,686 shares. The Group result after adjustment for non-recurring effects was €982.6m, an increase of 73.5% on the prior-year period.

Financial position

Consolidated balance sheet (condensed)

€m

	31/12/2021	Share	**30/9/2022**	**Share**	Change
Non-current assets	12,877.4	75%	15,212.7	65%	18.1%
Current assets	4,234.1	25%	8,024.5	35%	89.5%
Total assets	17,111.6	100%	**23,237.3**	**100%**	35.8%
Equity	6,362.9	37%	5,030.3	22%	–20.9%
Non-current liabilities	4,404.4	26%	4,962.5	21%	12.7%
Current liabilities	6,344.2	37%	13,244.5	57%	–
Equity and liabilities	17,111.6	100%	**23,237.3**	**100%**	35.8%

Assets

The rise in non-current assets compared with 31 December 2021 is mainly attributable to the initial recognition of the Spanish solar and wind power companies acquired during the reporting period and to higher deferred tax assets. The other additions to property, plant and equipment of €811.4m were reduced by depreciation of €316.9m. Impairment testing of property, plant and equipment resulted in a need for a reversal of impairment losses of €56.0m on the Mellach CCGT, among others, after deduction of related government grants, as well as a write-down of €12.9m on an Austrian run-of-river power plant, after deduction of any directly attributable contributions to building costs. Besides the photovoltaic installations and wind power plants in Spain – some of which are still under construction – the main additions to property, plant and equipment related to capital expenditure for the Austrian transmission grid and replacement investments at Austrian and German hydropower plants. The increase in current assets was primarily due to substantially higher positive fair values for derivative hedging transactions in the electricity business resulting from the sharp increase in wholesale prices for electricity, as well as to higher receivables for guarantees in electricity trading.

Equity and liabilities

The decrease in equity is mostly due to considerable negative effects from the measurement of cash flow hedges recognised in other comprehensive income, mainly driven by the significant increase in wholesale prices for electricity, as well as to the dividend distribution by VERBUND AG, which were not compensated by the profit for the period generated in quarters 1–3/2022. The increase in current and non-current liabilities primarily stems from substantially higher negative fair values of derivative hedging transactions in the electricity business attributable to the sharp increase in wholesale prices for electricity and from higher financial liabilities mainly in connection with the acquisition of the Spanish solar and wind power companies, as well as from current borrowings from banks.

Cash flows

Cash flow statement condensed) €m

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Cash flow from operating activities	510.6	1,120.8	–
Cash flow from investing activities	– 771.9	– 1,292.4	–
Cash flow from financing activities	260.2	340.3	30.8%
Change in cash and cash equivalents	– 1.2	168.7	–
Cash and cash equivalents as at 30/9/	48.0	**487.2**	–

Cash flow from operating activities

Cash flow from operating activities amounted to €1,120.8m in quarters 1 – 3/2022, up €610.2m on the prior-year figure. APG's higher operating cash flow and the significantly higher average prices obtained for electricity sales had a positive effect, offset by higher income tax payments as well as increased margining payments for hedging transactions in the electricity business provided as security for open positions held with exchange clearing houses (note: the security deposits shall be returned upon fulfilment of the supply agreements).

Cash flow from investing activities

Cash flow from investing activities amounted to €– 1,292.4m in quarters 1 – 3/2022 (Q1 – 3/2021: €– 771.9m). The change compared with quarters 1 – 3/2021 is largely due to the acquisition of a portfolio of Spanish project companies. The purchase price for this portfolio has been allocated between cash outflow from capital expenditure for subsidiaries and cash outflow from capital expenditure for other equity interests. In addition, the change in cash flow from investing activities is mainly due to a higher cash outflow from capital expenditure for intangible assets and property, plant and equipment (€– 269.1m compared with quarters 1 – 3/2021).

Cash flow from financing activities

Cash flow from financing activities amounted to €340.3m in quarters 1 – 3/2022, a difference of €+ 80.1m. The main reasons for the change were higher net inflows associated with money market transactions (€+ 426.8m), a lower cash inflow from the assumption of financial liabilities (€– 378.3m) or rather a lower cash outflow from the repayment of financial liabilities (€+ 144.5m) and higher dividend payments (€– 146.2m). The remainder of the change is attributable to an inflow from shifts between shareholder groups (€+ 16.4m) and a lower cash outflow from the repayment of lease liabilities (€+ 16.9m).

Opportunity and risk management

Operating result

Quarters 1–3/2022 were dominated by the usual risks arising from operating activities – such as the substantial volatility of electricity prices as well as seasonal and regional fluctuations in the water supply – and also by the effect of the measurement of derivatives in the electricity business. The considerable volatility in electricity and gas prices seen in the markets in recent months has been exacerbated by the Ukraine crisis and the inflationary economic environment. Although higher energy prices generally have a positive effect on VERBUND's profit or loss from electricity generation, in terms of the electric transmission grid they lead to volatile expenditures in congestion management and with regard to grid losses and control power, causing fluctuations in the contribution margin. In the area of gas transmission, higher electricity prices and in particular the current gas price trends are generating corresponding revenue and cost fluctuations.

Financial result

Changes in the financial result are determined by the following factors: the volatility of investment income, measurement effects on the balance sheet arising from changes in market prices, interest rates and changes in the general environment, as well as potential expenses from collateral provided being called in and rising interest rates.

Sensitivities

A change in the factors shown below (all else remaining equal) would be reflected in the projected Group result for full-year 2022 as follows, based on the hedging status as at 30 September 2022 for generation volumes and interest rates:

- +/–1% generation from hydropower plants: €+/–18.5m
- +/–1% generation from wind power: €+/–0.4m
- +/–1€/MWh wholesale electricity prices (renewable generation): €+/–0.5m
- +/–1 percentage point in interest rates: €+/–5.0m

Segment report

Hydro segment

Hydropower activities are reported in the Hydro segment.

KPIs – Hydro segment

	Unit	Q1 – 3/2021	**Q1 – 3/2022**	Change
Total revenue	€m	1,100.0	2,117.8	92.5%
EBITDA	€m	841.8	1,815.4	–
Result from interests accounted for using the equity method	€m	0.1	0.6	–

KPIs – Hydro segment

	Unit	31/12/2021	**30/9/2022**	Change
Capital employed	€m	5,920.6	**6,059.3**	2.3%

The increase in both total revenue and EBITDA is mainly due to substantially higher average prices obtained for electricity, while generation volumes from run-of-river power plants in particular were down. The hydro coefficient for the run-of-river power plants was 0.84 (Q1 – 3/2021: 0.99).

The increase in capital employed was largely due to an increase in property, plant and equipment and financial assets as well as to higher working capital, offset by higher current income tax provisions.

Current information on the Hydro segment

Current hydropower projects

During quarter 3/2022, all operation and maintenance as well as all current new build, expansion and rehabilitation projects were conducted as normal in compliance with the special COVID-19 regulations.

Along with the pandemic, the dramatic events in the war in Ukraine have given rise to considerable market distortion since February 2022. The resulting price increases and difficulties in procuring multiple materials have continued to persist. For this reason, the timetables and budgets for the current projects are currently being reviewed.

In the project to expand and improve efficiency in Töging, the main commissioning activities were completed and the comprehensively rehabilitated power plant was inaugurated on 30 September 2022. The finishing work is now being completed and the outdoor facilities are being built. At the Jettenbach weir site, the new weir is in operation and the old weir is being dismantled.

In the new Gratkorn power plant construction project on the Mur River, sealing the excavation pit turned out to be more complicated than expected. However, the sealing has now been completed and concreting was able to begin at the end of July 2022.

In the Limberg III project, excavation of the powerhouse cavern and the transformer cavern is finished and excavation of the pressure shaft is nearly complete. Concreting in the powerhouse cavern has already begun. Austria's Dam and Reservoir Commission has now approved the plans to raise the Limberg Dam.

In the Reißeck II plus project, expansion of the cavern and the hydraulic steel structures in the underwater tunnel has begun. The applications to amend the EIA have been reviewed by the authorities (including the experts) and the necessary additions are currently being prepared.

In the Malta-Hauptstufe rehabilitation project, the pump and turbine from generator set 3 have been in operation since August 2022. The new pumping station in Reißeck has also been put into operation. In the Kaprun-Oberstufe rehabilitation project, commissioning of generator set 1 likewise took place this summer. In the Ottensheim-Wilhering and Ering-Frauenstein rehabilitation projects, renovation work on the next two generator sets began on 5 September 2022. Installation work continued in the Gerlos rehabilitation project with the goal of making the power plant operational by quarter 4/2022.

On the environmental side, the fish pass at the Feistritz power plant was put into operation in quarter 3/2022, which means that all VERBUND power plants on the Drau River now have fish passes.

In the area of hydro consulting, job execution in Laos (Xajaburi and Luang Prabang) and Israel (Manara PSPP) continued, with further smaller orders being completed.

New renewables segment

We report on our wind and solar power activities in the New renewables segment.

KPIs – New renewables segment

	Unit	Q1 – 3/2021	**Q1 – 3/2022**	Change
Total revenue	€m	76.5	173.6	–
EBITDA	€m	26.8	90.1	–
Result from interests accounted for using the equity method	€m	0.1	– 0.1	–

KPIs – New renewables segment

	Unit	31/12/2021	**30/9/2022**	Change
Capital employed	€m	455.2	**1,439.3**	–

The New renewables segment was expanded during the reporting period through the addition of photovoltaic and wind farms in Spain, most of which are currently still under construction or in the planning phase.

The increase in total revenue and EBITDA mainly resulted from higher average prices obtained for electricity as well as an equally significant rise in generation volumes. The new renewables coefficient was 1.01 (Q1 – 3/2021: 0.88).

The increase in capital employed is due in particular to the higher property, plant and equipment and financial assets recognised in connection with the acquired photovoltaic and wind farms, higher other equity interests and the goodwill resulting from the acquisition.

Current projects in the New renewables segment

In Austria, work continued on the development of two wind farms in Styria, among other things. The two projects currently comprise 20 installations with a potential capacity of up to 124 MW. Further open fields of around 54 hectares in total were also secured.

By order of VERBUND Energy4Business GmbH (VEB), VERBUND Green Power GmbH (VGP) was tasked in quarters 1 – 3/2022 with the construction as well as the maintenance and monitoring of rooftop and open-field solar installations for industrial customers in Austria. Among other things, a 1 MW rooftop photovoltaic system was put into operation in quarter 3/2022 on the rooftops of an industrial customer in Linz.

In the collaboration with JLW/Visiolar in Germany, individual solar photovoltaic projects from the portfolio were developed further in quarter 3/2022. As things stand today, the first project is to go into operation in 2024, subject to regulatory approvals.

In addition, development of wind power projects in western Germany continued in partnership with EFI/Felix Nova GmbH. Along with the EFI I portfolio, which comprises eight wind farms with a potential capacity of up to 72 MW, with the first turbines scheduled to come on stream in 2025, work continued apace on the EFI II portfolio of up to 155 MW which was signed at the end of February 2022. The first projects from this portfolio are not expected to become operational until 2026 at the earliest.

In Spain, VERBUND Green Power Iberia S.L.U. was established in quarter 2/2022. In relation to the projects, the open-field solar installations acquired at the end of 2021 were completed (three installations with installed capacity of 148 MW). Final acceptance of the three installations is scheduled for quarter 4/2022. Four more wind farms and another photovoltaic farm with total potential capacity of 171 MW were acquired in quarter 1/2022. One wind turbine and the photovoltaic farm from this portfolio were put into operation in the first two quarters of 2022. Final acceptance of the two installations is scheduled for quarter 4/2022. According to the current schedule, the commissioning and final acceptance of three remaining wind turbines should take place by the end of quarter 2/2023.

The closing for another project in Spain also took place in July 2022. This is a portfolio that comprises plants in operation (photovoltaic installations of 82 MW) and a pipeline with projects in different stages of development. In the course of the acquisition, a team of employees in Madrid was taken on who are primarily involved in development of the project pipeline.

Work continued on initial wind power and photovoltaic projects in Albania during the reporting period. VERBUND Green Power Albania Sh.p.k. was also established in Albania in quarter 1/2022 to simplify legal and administrative processes in project development.

Sales segment

The Sales segment comprises VERBUND's trading and sales activities and its energy services.

KPIs – Sales segment

	Unit	Q1–3/2021	**Q1–3/2022**	Change
Total revenue	€m	2,148.1	6,553.0	–
EBITDA	€m	82.0	–178.1	–
Result from interests accounted for using the equity method	€m	–2.0	–0.5	–

KPIs – Sales segment

	Unit	31/12/2021	**30/9/2022**	Change
Capital employed	€m	1,609.0	**3,199.4**	98.8%

The rise in total revenue is primarily attributable to significantly higher prices in the electricity market, which were offset by correspondingly higher expenses for the purchase of electricity. The lower EBITDA is mainly due to a decrease in the result from the measurement of energy derivatives in connection with future deliveries of energy and higher procurement prices for electricity and gas for consumers, while higher transfer price margins and bigger contributions to earnings from flexibility products had an offsetting effect.

The rise in capital employed is principally attributable to an increase in deferred tax assets from the measurement of cash flow hedges in other comprehensive income and to higher receivables for guarantees in electricity trading.

Current information on B2B activities

Sales activities focus on expanding VERBUND's position as one of the leading providers of innovative green electricity and flexibility products as well as energy services and on marketing renewable energy (particularly wind, solar photovoltaic and small-scale hydropower). The expanded range of products and services will be supplemented by innovative projects and cooperation models involving large-scale batteries.

One of the ways VERBUND plans to achieve this is by building large-scale battery sites in Germany for the provision of grid services and marketing of control power. The first half of the North Bavarian battery storage chain in Diespeck with a capacity of 21 MW was put into operation in quarter 3/2022. The second half at the Iphofen site, also with a capacity of 21 MW, and three more large-scale battery storage projects in Hesse and Bavaria are being implemented and are also slated for completion in 2022.

In addition, VERBUND offers photovoltaic systems in the contracting model for industrial and commercial customers. These are either rooftop or open-field solar installations where the customer consumes over 90% of the electricity generated. New projects were able to be completed in Austria in quarter 3/2022 despite persistent supply chain problems. Further systems will come on stream in quarter 4/2022.

The charging network that SMATRICS EnBW operates across Austria was expanded to more than 540 charging points as at the end of quarter 3/2022 (including 92 high-power charging points with > 150kW). The basis for further expansion of the public charging infrastructure was created with new site framework agreements, e. g. with Metro and Bauhaus. The first charging hub with a total of 10 ultra-fast chargers and 20 high-power charging points > 150kW plus canopy is currently being built (commissioning planned for quarter 1/2023). Further progress was made in the partnership with EnBW in relation to the joint fleet product in Germany, with over 130 projects having been acquired to date. In addition, demand for the joint municipal utility product is growing apace.

Around 200 alternating current (AC) charging points and 35 direct current (DC)/high-power (HP) chargers are being installed at all VERBUND power plant locations, with the first going live in quarter 4/2023. Thanks to VERBUND Business Charging, additional customers were acquired in Austria and Germany.

Current information on B2C activities

The customer base as at the end of September 2022 amounted to around 527,000 residential customers in the electricity and gas sector.

The situation in the international energy markets remained very strained in quarter 3/2022. VERBUND therefore had to raise its prices for new customers once again in this period.

Grid segment

The Grid segment comprises the activities of Austrian Power Grid AG (APG) and Gas Connect Austria GmbH (GCA).

KPIs – Grid segment

	Unit	Q1–3/2021	Q1–3/2022	Change
Total revenue	€m	651.1	1,541.6	–
EBITDA	€m	196.8	211.5	7.4%
Result from interests accounted for using the equity method	€m	1.2	–3.4	–

KPIs – Grid segment

	Unit	31/12/2021	30/9/2022	Change
Capital employed	€m	2,647.8	**2,728.7**	3.1%

Since 31 May 2021, the Grid segment has also comprised GCA, Austrian Gas Grid Management AG (AGGM) and the investment in Trans Austria Gasleitung GmbH (TAG).

Total revenue increased – besides the companies included for just four months in the same period of the previous year – primarily due to higher revenue for APG from the auctioning off of cross-border capacities and higher revenue from the recharging of expenses for congestion management. However, this was offset by an equally sharp increase in expenses arising from congestion management and from the purchase of grid loss energy. The result from interests accounted for using the equity method was generated mainly from TAG.

The change in capital employed was mostly attributable to the increase in net property, plant and equipment and to higher working capital, the impairment on the goodwill of GCA and a profit participation right with respect to material assets, as well as higher other non-interest-bearing debt.

Current information on the Grid segment – Austrian Power Grid AG

Security of supply and congestion management

Action had to be taken at Austrian power plants again in quarter 3/2022 to manage congestion both within and outside the APG grid.

Tariff regulation

On 17 August 2022, APG received a copy of the preliminary findings on the 2022 cost calculation process. This laid out the main parameters for the next WACC and regulatory period starting on 1 January 2023 defined by E-Control. A comprehensive statement outlining APG's positions was submitted by 14 September and an oral hearing was held with E-Control on 27 September. The cost notice from the regulator to serve as a basis for the tariffs in 2023 will be delivered in quarter 4/2022.

Weinviertel line

The 380-kV Weinviertel line and the new substation in Neusiedl an der Zaya were successfully put into operation in July 2022. These will enable up to 2,500 MW of renewable energy from Lower Austria to be fed into the APG grid for use throughout Austria. The old 220-kV line will now be dismantled.

Construction of the new 220-kV switching station in Weibern

Construction of the new 220-kV switching station in Weibern, Upper Austria, for the 220-kV Danube track line began on 2 August 2022. This switching station will help to symmetrise the flows of electricity and thus increase the (n–1) safety and (n–1) reserves on the 220kV-line and in this grid area.

Current information on the Grid segment – Gas Connect Austria GmbH

Gas flows

In quarter 3/2022, gas flows in the East market area continued to fall compared with the prior-year reporting period. Rising wholesale prices for gas and electricity further pushed up costs for compressor energy. Gas flows at the Baumgarten entry point were likewise down versus the prior-year reporting period, while gas flows from Germany to Austria (Oberkappel and Überackern entry points) increased. Due to greater demand at specific points in the GCA grid, higher income was generated at some auctions. However, the buoyant demand also caused costs to rise sharply in some cases because the deliveries could only be fulfilled through far greater use of compressors (= fuel gas costs).

Regulation

An amendment of the Gas System Charges Ordinance (Gassystemnutzungsentgelte-Verordnung, GSNE-VO) entered into force at the beginning of June 2022. This amendment introduced an additional volume-based charge for transmission system operators in order to compensate for the sharp rise in costs for compressor energy. The first version of this volume-based charge has been set at a comparatively low level (based on prior-year prices). A further adjustment will therefore be necessary. GCA is in consultation with E-Control on this matter.

All other segments

"All other segments" is a combined heading under which the Thermal generation segment, Services segment and Equity interests segment are brought together given that they are below the quantitative thresholds.

KPIs – All other segments

	Unit	Q1 – 3/2021	Q1 – 3/2022	Change
Total revenue	€m	109.5	385.8	–
EBITDA	€m	32.0	30.7	– 4.1%
Result from interests accounted for using the equity method	€m	28.2	13.1	– 53.5%

KPIs – All other segments

	Unit	31/12/2021	30/9/2022	Change
Capital employed	€m	512.6	564.0	10.0%

The sharp rise in total revenue stemmed mainly from the increased use of the Mellach CCGT in the reporting period which, on account of the high sales prices, led to higher electricity and district heating revenue. However, EBITDA remained close to the prior-year level, in particular due to the increase in gas procurement prices and negative effects from the measurement of energy derivatives in connection with future energy deliveries. The result from interests accounted for using the equity method was generated by KELAG.

The increase in capital employed is largely attributable to the rise in property, plant and equipment as a consequence of the reversal of impairment losses charged on the Mellach CCGT.

Current information on the Thermal generation segment

Both lines of the Mellach CCGT were used in quarter 3/2022 exclusively to ensure security of supply in congestion management.

In August 2022, the Mellach district heating power plant and line 20 of the Mellach CCGT were contracted for the period from 1 April 2023 to 30 September 2023 for congestion management by APG. Work on the reactivation of coal-fired generation at the Mellach district heating power plant was stopped because the required legal framework was not in place.

Current information on the Services segment

As a shared service organisation, VERBUND Services GmbH again handled central service processes in the Group effectively, cost-efficiently and achieving a high level of customer satisfaction in the quarter now ended.

Crisis management work within the Group in quarters 1 – 3/2022 continued to focus on management of the COVID-19 crisis to ensure continued operation of critical infrastructure. VERBUND Services GmbH has an essential role to play here.

In the Working World project, the design phase began after the Steering Committee had signed off on the preliminary design for the New Work office concept in July 2022 for two companies at Group headquarters.

Implementation of the SAP Excellence programme progressed on schedule in the quarter now ended. The first test phase was successfully concluded at the end of September.

Financial Accounting, Procurement, Group Organisation and HR Services were involved in the integration project with regard to a newly acquired photovoltaic and wind power portfolio with existing plants and development projects in Spain.

In IT services, roll-out of the M365 collaboration platform was advanced in the quarter now ended.

The Limberg III power plant construction site continued to present a particular challenge on the telecommunications side. Along with the standard services in the plant area, the tunnel cutter had to be equipped with telecommunication services (for example in the form of high-availability, secure telephones) and fibre-optic connections needed to be set up for this.

Current information on the Equity interests segment

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

KELAG’s contribution to the result from interests accounted for using the equity method was €13.1m in quarters 1 – 3/2022 (Q1 – 3/2021: €28.2m). The year-on-year decrease is mainly due to one-off accounting effects and a deterioration in operating performance.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 30 September 2022 and authorisation for issue on 24 October 2022.

Consolidated interim financial statements

Consolidated interim financial statements

of VERBUND

Income statement

€m

In accordance with IFRSs	Notes	Q1–3/2021	Q1–3/2022	Q3/2021	Q3/2022
Revenue		2,819.8	**7,617.3**	1,095.4	**2,885.6**
Electricity revenue	1	2,279.1	6,489.8	903.6	2,548.3
Grid revenue	1	450.0	921.1	167.9	297.7
Other revenue	1	90.7	206.4	23.9	39.6
Other operating income		56.3	91.0	19.9	41.3
Expenses for electricity, grid, gas and certificates purchases	2	–1,328.0	–5,108.6	–522.5	–2,287.3
Fuel expenses and other usage-/revenue-dependent expenses	3	–35.5	–330.7	–19.9	–86.6
Personnel expenses	4	–278.9	–313.5	–88.0	–97.1
Other operating expenses		–204.2	–252.2	–79.2	–96.0
Measurement and realisation of energy derivatives	5	121.1	230.0	89.9	194.6
EBITDA		1,150.6	**1,933.3**	495.7	**554.4**
Depreciation and amortisation	6	–306.4	–335.7	–111.1	–117.0
Impairment losses[1]	7	–0.5	–31.9	0.0	0.0
Reversal of impairment losses[1]	7	0.0	56.0	0.0	0.0
Operating result		843.6	**1,621.7**	384.5	**437.5**
Result from interests accounted for using the equity method	8	27.7	9.8	10.7	8.9
Other result from equity interests		14.5	2.9	12.5	0.8
Interest income	9	29.4	26.8	10.0	8.9
Interest expenses	10	–58.0	–68.9	–20.1	–25.8
Other financial result	11	20.5	10.4	2.0	–0.3
Impairment losses	12	0.0	–4.2	0.0	0.0
Financial result		34.1	**–23.3**	15.2	**–7.5**
Profit before tax		877.7	**1,598.4**	399.7	**429.9**
Taxes on income	13	–206.8	–355.1	–92.5	–119.7
Profit for the period		670.9	**1,243.4**	307.2	**310.3**
Attributable to the shareholders of VERBUND AG (Group result)		587.4	1,065.2	262.9	248.1
Attributable to non-controlling interests		83.5	178.2	44.3	62.2
Earnings per share in €[2]		1.69	**3.07**	0.76	**0.71**

[1] The impairments and reversals of impairment losses have been reduced by the amount of the change in related deferred contributions to building costs and government grants. // [2] Diluted earnings per share correspond to basic earnings per share.

Statement of comprehensive income

€m

In accordance with IFRSs	Notes	Q1 – 3/2021	**Q1 – 3/2022**	Q3/2021	**Q3/2022**
Profit for the period		670.9	**1,243.4**	307.2	**310.3**
Remeasurements of net defined benefit liability	14	52.2	121.3	0.1	– 0.4
Other comprehensive income from interests accounted for using the equity method[1]		5.2	13.6	4.6	16.6
Total of items that will not be reclassified subsequently to the income statement		57.3	**134.8**	4.6	**16.2**
Differences from currency translation		– 3.1	– 0.1	– 0.7	– 0.2
Measurements of cash flow hedges		– 1,118.4	– 2,875.5	– 769.0	– 792.8
Other comprehensive income from interests accounted for using the equity method[2]		– 4.4	– 22.4	– 4.5	– 12.0
Total of items that will be reclassified subsequently to the income statement		– 1,125.9	**– 2,898.0**	– 774.3	**– 805.0**
Other comprehensive income before tax		– 1,068.5	**– 2,763.2**	– 769.6	**– 788.8**
Taxes on income relating to items that will not be reclassified subsequently to the income statement		– 13.3	– 38.9	0.0	0.0
Taxes on income relating to items that will be reclassified subsequently to the income statement		279.6	672.7	192.3	179.4
Other comprehensive income after tax		– 802.2	**– 2,129.4**	– 577.4	**– 609.4**
Total comprehensive income for the period		– 131.3	**– 886.1**	– 270.2	**– 299.1**
Attributable to the shareholders of VERBUND AG		– 219.5	– 1,070.4	– 313.9	– 360.0
Attributable to non-controlling interests		88.2	184.4	43.7	60.9

[1] deferred taxes included therein in quarters 1 – 3/2022: €– 5.5m (Q1 – 3/2021: €– 1.7m) // [2] deferred taxes included therein in quarters 1 – 3/2022: €7.0m (Q1 – 3/2021: €1.5m)

Balance sheet

€m

In accordance with IFRSs	Notes	31/12/2021	30/9/2022
Non-current assets		12,877.4	**15,212.7**
Intangible assets		788.7	972.9
Property, plant and equipment		10,672.0	11,610.5
Right-of-use assets		103.8	111.5
Interests accounted for using the equity method		404.1	400.8
Other equity interests	16	177.1	497.8
Investments and other receivables	16	695.8	777.2
Deferred tax assets		35.8	841.9
Current assets		4,234.1	**8,024.5**
Inventories	15	49.9	134.0
Trade receivables, other receivables and securities	16	3,865.7	7,403.3
Cash and cash equivalents	16	318.6	487.2
Total assets		17,111.6	**23,237.3**

€m

In accordance with IFRSs	Notes	31/12/2021	30/9/2022
Equity		6,362.9	**5,030.3**
Attributable to the shareholders of VERBUND AG		5,461.6	4,040.3
Attributable to non-controlling interests		901.3	990.0
Non-current liabilities		4,404.4	**4,962.5**
Financial liabilities	16	1,834.2	2,369.6
Provisions		832.9	681.9
Deferred tax liabilities		486.9	601.6
Contributions to building costs and grants		788.4	788.7
Other liabilities	16	462.1	520.6
Current liabilities		6,344.2	**13,244.5**
Financial liabilities	16	1,462.5	2,279.3
Provisions		44.7	47.4
Current tax liabilities		222.4	461.5
Trade payables and other liabilities	16	4,614.7	10,456.3
Total equity and liabilities		17,111.6	**23,237.3**

Cash flow statement

€m

In accordance with IFRSs	Notes	Q1 – 3/2021	**Q1 – 3/2022**
Profit for the period		670.9	1,243.4
Amortisation of intangible assets and depreciation of property, plant and equipment (net of reversals of impairment losses)		306.9	311.6
Impairment losses on investments (net of reversals of impairment losses)		– 4.5	9.4
Result from interests accounted for using the equity method (net of dividends received)		– 27.6	11.6
Result from the disposal of non-current assets		2.5	– 1.1
Change in non-current provisions and deferred tax liabilities		– 14.4	– 111.0
Change in contributions to building costs and grants		23.4	0.3
Other non-cash expenses and income		– 37.5	– 20.8
Subtotal		919.7	**1,443.4**
Change in inventories		– 34.1	– 84.1
Change in trade receivables and other receivables		– 1,528.6	– 2,355.1
Change in trade payables and other liabilities		1,147.7	1,875.3
Change in current provisions and current tax liabilities		5.8	241.4
Cash flow from operating activities[1]		510.6	**1,120.8**

[1] Cash flow from operating activities includes income taxes paid of €217.0m (Q1 – 3/2021: €197.0m), interest paid of €12.0m (Q1 – 3/2021: €6.5m), interest received of €1.6m (Q1 – 3/2021: €0.1m) and dividends received of €24.5m (Q1 – 3/2021: €3.0m).

€m

In accordance with IFRSs	Notes	Q1 – 3/2021	Q1 – 3/2022
Cash outflow from capital expenditure for intangible assets and property, plant and equipment		– 520.1	– 789.2
Cash inflow from the disposal of intangible assets and property, plant and equipment		2.3	6.0
Cash outflow from capital expenditure for investments		– 0.2	– 72.2
Cash inflow from the disposal of investments		3.0	51.1
Cash outflow from capital expenditure for subsidiaries		– 247.2	– 56.5
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		– 9.8	– 431.7
Cash flow from investing activities		– 771.9	**– 1,292.4**
Cash inflow from shifts between shareholder groups		0.0	16.4
Cash inflow from money market transactions		363.0	2,219.7
Cash outflow from money market transactions		0.0	– 1,430.0
Cash inflow from the assumption of financial liabilities (excluding money market transactions)		489.1	110.8
Cash outflow from the repayment of financial liabilities (excluding money market transactions)		– 234.9	– 90.4
Cash outflow from the repayment of lease liabilities		– 25.3	– 8.4
Dividends paid		– 331.7	– 477.8
Cash flow from financing activities		260.2	**340.3**
Change in cash and cash equivalents		– 1.2	**168.7**
Cash and cash equivalents as at 1/1/		49.2	**318.6**
Change in cash and cash equivalents		– 1.2	168.7
Cash and cash equivalents as at 30/9		48.0	**487.2**

Statement of changes in equity

In accordance with IFRSs	Called and paid-in share capital	Capital reserves	Retained earnings	Remeasurements of net defined benefit liability
Notes				14
As at 1/1/2021	347.4	954.3	5,325.5	–388.8
Profit for the period	–	–	587.4	–
Other comprehensive income	–	–	0.0	39.4
Total comprehensive income for the period	–	–	587.4	39.4
Changes in the basis of consolidation	–	–	–1.1	0.0
Dividends	–	–	–260.6	–
Other changes in equity	–	–	0.1	0.0
As at 30/9/2021	347.4	954.3	5,651.3	–349.3
As at 1/1/2022	**347.4**	**954.3**	**5,937.5**	**–327.8**
Profit for the period	–	–	1,065.2	–
Other comprehensive income	–	–	0.0	86.8
Total comprehensive income for the period	–	–	1,065.2	86.8
Changes in the basis of consolidation	–	–	0.6	0.0
Shifts between shareholder groups	–	–	10.5	0.0
Dividends	–	–	–364.8	–
Other changes in equity	–	–	2.8	0.0
As at 30/9/2022	**347.4**	**954.3**	**6,651.7**	**–241.0**

€m

	Difference from currency translation	Measurements of financial instruments	Measurements of cash flow hedges	Equity attributable to the shareholders of VERBUND AG	Equity attributable to non-controlling interests	Total equity
	−15.2	7.7	−79.8	6,151.2	656.2	6,807.4
	–	–	–	587.4	83.5	670.9
	−2.9	0.0	−843.3	−806.8	4.6	−802.2
	−2.9	0.0	−843.3	−219.5	88.2	−131.3
	0.1	0.0	0.0	−1.0	210.0	208.9
	–	–	–	−260.6	−71.1	−331.7
	0.0	0.0	0.0	0.1	0.0	0.1
	−18.1	7.7	−923.1	5,670.2	883.2	6,553.4
	−18.5	**25.5**	**−1,456.8**	**5,461.6**	**901.3**	**6,362.9**
	–	–	–	1,065.2	178.2	1,243.4
	−0.1	0.6	−2,222.9	−2,135.7	6.2	−2,129.4
	−0.1	0.6	−2,222.9	−1,070.4	184.4	−886.1
	0.0	0.0	0.0	0.6	0.2	0.8
	0.0	0.0	0.0	10.5	0.0	10.5
	–	–	–	−364.8	−95.4	−460.2
	0.0	0.0	0.0	2.8	−0.5	2.3
	−18.6	**26.1**	**−3,679.7**	**4,040.3**	**990.0**	**5,030.3**

Selected explanatory notes

Financial reporting principles

Basic principles

These consolidated interim financial statements of VERBUND for the period ended 30 September 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial statements as adopted by the European Union.

The condensed format of VERBUND's consolidated interim financial statements is consistent with IAS 34 "Interim Financial Reporting"; for further information and disclosures please refer to VERBUND's consolidated financial statements for the year ended 31 December 2021, which form the basis for these consolidated interim financial statements of VERBUND.

Basis of consolidation

VERBUND Ventures GmbH and VERBUND Green Power Iberia S.L.U. were newly established and these companies were consolidated for the first time in quarters 1 – 3/2022.

In addition, five companies – Parque Eólico Buseco, S.L.U., Parque Eólico Loma de los Pinos, S.L.U., Parque Eólico El Barroso, S.L.U., Parque Eólico Ayamonte, S.L.U. and Lusitania Renovables, S.L.U. – were acquired and included in the basis of consolidation for the first time.

In the course of an acquisition, the following six Spanish companies were included in the basis of consolidation for the first time (see "Business acquisitions"): Anselma Issuer, S.A.; Sica Desarrollos Totanés, S.L.U.; Sica Desarrollos Albarreal, S.L.U.; Sica Desarrollos Cuerva, S.L.U.; Sica Desarrollos Los Navalmorales; S.L.U., Topacio Energy, S.L.

VERBUND AG transferred its limited partnership interest (100%) in VERBUND Green Power Hunsrück GmbH & Co. KG to its general partner VERBUND Green Power Deutschland GmbH by way of a contribution agreement dated 18 July 2022. As a result of the transfer of the limited partnership interest, VERBUND Green Power Hunsrück GmbH & Co. KG ceased to exist and its assets and liabilities were transferred to VERBUND Green Power Deutschland GmbH. In a further step, VERBUND AG contributed its shares in VERBUND Green Power Deutschland GmbH as well as its limited partnership interest in Infrastrukturgesellschaft Bischheim GmbH & Co. KG and Infrastruktur Oberheimbach I GmbH & Co. KG to VERBUND Green Power GmbH.

Business acquisitions

VERBUND acquired a portfolio of Spanish project companies effective 28 July 2022 (six of which were included in the basis of consolidation; see "Basis of consolidation") from the Q-Energy Group. The consideration transferred for the acquisition of the companies amounted to approximately €509.9m, taking into account a cash payment and the assumption of reciprocal receivables and liabilities. As part of the transaction, VERBUND entered into the outstanding upstream loans in the amount of approximately €73.3m (loans payable from VERBUND's perspective) and shareholder loans in the amount of around €76.2m (loans receivable from VERBUND's perspective).

In the transaction, an operating photovoltaic (PV) portfolio with total installed capacity of 82 MWp and an extensive development platform (wind and PV projects) were acquired along with a development team. The projects are being implemented in different regions of Spain. On the basis of the planned capacity, the geographic focus of the projects lies in the Castilla-La Mancha region (central Spain) and in Andalusia (southern Spain).

The transaction will help to implement the VERBUND Group's current strategy through an intense build-up and further expansion of the renewable generation portfolio, as well as to diversify with respect to markets and technologies in selected European countries. This in turn will improve the risk profile and build on a position of strength for renewable generation technologies on the Iberian Peninsula.

The acquired companies have been allocated to the New renewables segment.

The (provisional) fair values of the identifiable assets and liabilities were broken down as follows at the acquisition date:

Assets acquired and liabilities assumed

	€m Acquisition-date fair value
Intangible assets and property, plant and equipment	411.1
Equity interests	315.4
Investments and other receivables	100.2
Trade receivables and other current assets[1]	27.0
Deferred tax assets	16.8
Cash and cash equivalents	30.9
Total assets acquired	901.4
Non-current financial liabilities	395.9
Other non-current liabilities	83.3
Deferred tax liabilities	55.8
Current financial liabilities	16.8
Trade payables and other current liabilities	29.2
Total liabilities assumed	581.0
Total identifiable net assets at fair value (100%)	320.4
Goodwill	189.6
Total consideration transferred	509.9
of which in cash[2]	512.8
of which loans payable to previous shareholders	73.3
of which loans receivable from previous shareholders	–76.2

[1] The carrying amounts of trade receivables and current other receivables represented a realistic estimate of their fair values (due to the short maturities); they also correspond to the gross value of the receivables. // [2] In the cash flow statement, the purchase price has been allocated between cash outflow from capital expenditure for subsidiaries and cash outflow from capital expenditure for other equity interests.

The provisional goodwill resulting from the transaction in the amount of €189.6m can be attributed in particular to future development projects (that were not separately identifiable during the purchase price allocation), to the platform value of the acquired employee base and to deferred tax liabilities recognisable in accordance with IFRS 3.

VERBUND's new subsidiaries contributed €10.7m to VERBUND's revenue from the initial consolidation date to the reporting date 30 September 2022; their contribution to VERBUND's net profit for the period was €4.4m. If the business acquisition had taken place at the beginning of the reporting period, the new subsidiaries would have contributed €45.9m in revenue and €14.9m in net profit for the period to the corresponding line items of VERBUND's income statement.

Considering the complexity of the accounting policy issues related to this transaction and the fact that it took place close to the reporting date, the initial accounting treatment of this business acquisition is to be classified as "provisional". The update of the provisional purchase price allocation will include the measurement of right-of-use assets as defined under IFRS 16, the detailed allocation of fair values to intangible assets and property, plant and equipment, the determination of the fair values of financial liabilities and receivables and the analysis of potential provision requirements.

Effects of the war in Ukraine

The beginning of hostilities on the part of Russian forces in Ukraine in February 2022 represents a watershed event. The potential financial impact on VERBUND's assets was analysed in the course of preparing the interim financial statements for the period ended 30 September 2022. The sharp increase in electricity and gas prices as well as the increase in the cost of capital already had immediate effects on the measurement of assets in Q1 – 2/2022. The updating of these parameters resulted in changes in the value of assets recognised by VERBUND as at 30 June 2022 (see Note 7. "Impairment losses and reversals of impairment losses" and Note 12. "Impairment losses"). No indications of further material changes in value compared with 30 June 2022 were identified in an evaluation of the situation as at 30 September 2022.

In addition to the changes in the energy industry environment, the effects of the war in Ukraine in Q1 – 3/2022 particularly impacted the gas network operating subsidiary Gas Connect Austria GmbH (GCA) and the investment in Trans Austria Gasleitung GmbH (TAG). The tight gas supply led to rapidly rising energy prices, which made the operation of the gas grid considerably more expensive. The aspired filling of gas storage facilities and the newly introduced volume-based charge to cover additional energy costs had a stabilising effect on the network business. The development of the war in Ukraine is expected to continue to have a significant impact on the energy market. Uncertainties exist mainly due to a possible future extension of the European Union's sanctions against Russia and the related volatile Russian gas deliveries to Austria. The associated future financial impact is difficult to estimate from the current perspective.

Developments in Ukraine, the resulting risks and the financial impact on VERBUND continue to be evaluated on an ongoing basis.

Accounting policies

With the exception of the IASB's new accounting standards described below, the same accounting policies were applied in these consolidated interim financial statements of VERBUND as in VERBUND's consolidated financial statements for the period ended 31 December 2021.

The use of computing software may lead to rounding differences in the addition of rounded amounts and the calculation of percentages.

Newly applicable or applied accounting standards

Newly applicable or applied accounting standards

Standard or interpretation		Published by the IASB (endorsed by the EU)	Mandatory application for VERBUND	Material effects on the consolidated interim financial statements of VERBUND
IFRS 3	Business Combinations – Reference to the Conceptual Framework	14/5/2020 (28/6/2021)	1/1/2022	None
IAS 16	Amendment: Proceeds before Intended Use	14/5/2020 (28/6/2021)	1/1/2022	None
IAS 37	Amendment: Onerous Contracts – Cost of Fulfilling a Contract	14/5/2020 (28/6/2021)	1/1/2022	None
Various	Annual Improvements to IFRS Standards 2018–2020 Cycle	14/5/2020 (28/6/2021)	1/1/2022	None

Segment reporting

EBITDA in the total column corresponds to EBITDA in the income statement. Therefore, the reconciliation to profit before tax can be taken from the income statement. Transactions between segments are carried out at arm's length. All segment data are measured in accordance with IFRSs.

€m

	Hydro	New renewables	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1 – 3/2022							
External revenue	87.1	127.9	5,839.8	1,509.1	50.3	3.2	7,617.3
Internal revenue	2,030.6	45.7	713.2	32.5	335.5	– 3,157.6	0.0
Total revenue	2,117.8	173.6	6,553.0	1,541.6	385.8	– 3,154.4	7,617.3
EBITDA	**1,815.4**	**90.1**	**– 178.1**	**211.5**	**30.7**	**– 36.2**	**1,933.3**
Depreciation and amortisation	– 167.8	– 27.5	– 2.3	– 122.1	– 13.7	– 2.3	– 335.7
Effects from impairment tests (operating result)	– 12.9	0.0	0.0	– 19.0	56.0	0.0	24.1
Other material non-cash items	34.5	2.2	– 305.0	11.3	– 56.1	1.2	– 311.8
Result from interests accounted for using the equity method	0.6	– 0.1	– 0.5	– 3.4	13.1	0.0	9.8
Effects from impairment tests (financial result)	– 0.9	0.0	0.0	– 3.3	0.0	0.0	– 4.2
Capital employed	**6,059.3**	**1,439.3**	**3,199.4**	**2,728.7**	**564.0**	**– 122.2**	**13,868.6**
of which carrying amount of interests accounted for using the equity method	21.7	1.4	16.0	71.2	290.5	0.0	400.8
Additions to intangible assets and property, plant and equipment	283.0	275.5	35.0	218.1	22.6	0.9	834.9
Additions to interests accounted for using the equity method	0.0	0.0	4.0	0.0	0.0	0.0	4.0

€m

	Hydro	New renewables	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1 – 3/2021							
External revenue	80.3	62.0	2,042.1	627.6	5.0	2.8	2,819.8
Internal revenue	1,019.7	14.6	105.9	23.5	104.5	– 1,268.1	0.0
Total revenue	1,100.0	76.5	2,148.1	651.1	109.5	– 1,265.3	2,819.8
EBITDA	841.8	26.8	82.0	196.8	32.0	– 28.8	1,150.6
Depreciation and amortisation	– 161.6	– 19.9	– 1.5	– 111.4	– 9.8	– 2.2	– 306.4
Effects from impairment tests (operating result)	0.0	– 0.5	0.0	0.0	0.0	0.0	– 0.5
Other material non-cash items	28.2	0.0	3.2	8.6	4.6	1.0	45.6
Result from interests accounted for using the equity method	0.1	0.1	– 2.0	1.2	28.2	0.0	27.7
Capital employed	5,865.0	399.4	798.2	2,663.8	437.1	134.5	10,298.1
of which carrying amount of interests accounted for using the equity method	5.1	1.4	12.5	143.9	294.6	0.0	457.6
Additions to intangible assets and property, plant and equipment	192.3	5.2	2.9	233.4	6.3	1.4	441.5
Additions to interests accounted for using the equity method	0.0	0.0	9.8	0.0	0.0	0.0	9.8

Notes to the income statement

(1) Revenue

Revenue

€m

	Q1 – 3/2021 Domestic	Q1 – 3/2022 Domestic	Q1 – 3/2021 Foreign	Q1 – 3/2022 Foreign	Q1 – 3/2021 Total	Q1 – 3/2022 Total	Change
Electricity revenue resellers	42.7	39.6	30.5	38.4	73.2	77.9	6.5%
Electricity revenue traders	0.3	0.3	2.2	4.0	2.5	4.3	76.7%
Electricity revenue – Hydro segment	43.0	**39.9**	32.6	**42.4**	75.6	**82.3**	8.8%
Electricity revenue traders	10.0	0.0	14.0	57.8	24.0	57.8	141.1%
Electricity revenue consumers	0.0	0.0	26.3	44.5	26.3	44.5	69.4%
Electricity revenue – New renewables segment	10.0	**0.0**	40.3	**113.0**	50.3	**113.0**	124.7%
Electricity revenue resellers	462.8	1,743.3	332.1	740.9	794.9	2,484.3	n/a
Electricity revenue traders	477.8	1,129.7	126.4	448.4	604.3	1,578.1	161.1%
Electricity revenue consumers	294.7	882.6	293.9	777.5	588.6	1,660.1	182.0%
Electricity revenue – Sales segment	1,235.3	**3,755.7**	752.5	**1,966.8**	1,987.8	**5,722.5**	187.9%
Electricity revenue resellers	80.1	109.4	77.1	422.9	157.2	532.3	n/a
Electricity revenue traders	2.8	37.6	5.2	2.2	8.1	39.8	n/a
Electricity revenue – Grid segment	83.0	**147.0**	82.3	**425.1**	165.3	**572.1**	n/a
Total electricity sales revenue	1,371.3	**3,942.5**	907.8	**2,547.3**	2,279.1	**6,489.8**	184.8%
Grid revenue electric utilities	303.5	428.5	5.2	32.0	308.6	460.5	49.2%
Grid revenue industrial customers	4.4	7.3	0.0	0.0	4.4	7.3	64.6%
Grid revenue other	56.0	200.1	81.0	253.2	137.0	453.3	n/a
Total grid revenue – Grid segment	363.9	**635.9**	86.2	**285.2**	450.0	**921.1**	104.7%
Other revenue – Hydro segment					4.6	**4.9**	5.4%
Other revenue – New renewables segment					11.7	**14.8**	27.2%
Other revenue – Sales segment					54.3	**117.3**	116.0%
Other revenue – Grid segment					12.3	**15.9**	29.8%
Other revenue – All other segments					5.0	**50.3**	n/a
Other revenue – reconciliation					2.8	**3.2**	13.4%
Total of other revenue					90.7	**206.4**	127.6%
Total revenue					2,819.8	**7,617.3**	170.1%

(2) Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificates purchases €m

	Q1–3/2021	**Q1–3/2022**	Change
Expenses for electricity purchases (including control power)	1,238.4	4,901.4	n/a
Expenses for gas purchases	39.1	144.2	n/a
Expenses for grid purchases (system use)	49.0	48.5	–1.1%
Purchases of emission rights (trading)	0.4	8.2	n/a
Purchases of proof of origin and green certificates	1.1	6.3	n/a
Expenses for electricity, grid, gas and certificates purchases	1,328.0	**5,108.6**	n/a

(3) Fuel expenses and other usage-/revenue-dependent expenses

Fuel expenses and other usage-/revenue-dependent expenses €m

	Q1–3/2021	**Q1–3/2022**	Change
Fuel expenses	14.6	265.6	n/a
Emission rights acquired in exchange for consideration	3.2	26.5	n/a
Other revenue-dependent expenses	15.4	32.4	110.6%
Other usage-dependent expenses	2.3	6.2	169.1%
Fuel expenses and other usage-/revenue-dependent expenses	35.5	**330.7**	n/a

(4) Personnel expenses

Personnel expenses €m

	Q1–3/2021	**Q1–3/2022**	Change
Wages and salaries	212.0	238.5	12.5%
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	47.8	54.6	14.2%
Other social expenses	3.1	4.6	50.7%
Subtotal	262.8	**297.7**	13.3%
Expenses for pensions and similar obligations	12.9	12.6	–2.4%
Expenses for termination benefits	3.3	3.2	–0.6%
Personnel expenses	278.9	**313.5**	12.4%

(5) Measurement and realisation of energy derivatives

Measurement and realisation of energy derivatives €m

	Q1–3/2021	**Q1–3/2022**	Change
Realisation of futures	249.0	**256.5**	3.0%
of which positive	474.3	1,985.7	n/a
of which negative	–225.3	–1,729.2	n/a
Measurement	–127.9	**–26.5**	79.3%
of which positive	2,033.6	5,925.5	191.4%
of which negative	–2,161.4	–5,952.0	–175.4%
Measurement and realisation of energy derivatives	121.1	**230.0**	89.9%

(6) Depreciation and amortisation

Depreciation and amortisation €m

	Q1–3/2021	**Q1–3/2022**	Change
Depreciation of property, plant and equipment	270.6	316.9	17.1%
Amortisation of intangible assets	8.1	12.0	47.9%
Depreciation of right-of-use assets	27.8	6.9	–75.2%
Depreciation and amortisation	306.4	**335.7**	9.6%

(7) Impairment losses and reversals of impairment losses

Impairment losses and reversals of impairment losses €m

	Q1–3/2021	**Q1–3/2022**	Change
Mellach combined cycle gas turbine power plant[1]	0.0	57.6	n/a
Change in deferred grants for the Mellach combined cycle gas turbine power plant	0.0	–1.6	n/a
Goodwill of Gas Connect Austria[2]	0.0	–16.8	n/a
Gratkorn run-of-river power plant[3]	0.0	–13.6	n/a
Change in deferred grants for the Gratkorn run-of-river power plant	0.0	0.7	n/a
Gas Connect Austria GmbH[4]	0.0	–2.2	n/a
Other	–0.5	0.0	100.0%
Impairment losses and reversals of impairment losses	–0.5	**24.1**	n/a

[1] The details of the reversal of impairment losses at the Mellach combined cycle gas turbine power plant are explained in the table below. // [2] The impairment results from the second step of the two-step impairment test of the group of cash-generating units “Gas Connect Austria”. The details of the impairment loss are explained in the table below. // [3] The recoverability of the Gratkorn run-of-river power plant had to be reviewed as at 30 June 2022 on the basis of the updated discount rate. // [4] The recoverability of the CGU Gas Connect Austria GmbH (GCA) had to be reviewed as at 30 June 2022 due to the updated discount rate and the increase in electricity and gas prices. The impairment results from the first step of the two-step impairment test of the group of cash-generating units “Gas Connect Austria”. The recoverability of each of the individual units – GCA including Austrian Gas Grid Management AG (AGGM), the equity interest in Trans Austria Gasleitung GmbH (TAG) and the TAG profit participation right with respect to material assets – was tested in the first step.

Impairment testing of Mellach combined cycle gas turbine power plant

	31/12/2021	**30/6/2022[1]**
Cash-generating unit	Combined cycle gas turbine power plant (installed electrical capacity: 838 MW)	Combined cycle gas turbine power plant (installed electrical capacity: 838 MW)
Indications of impairment	Updated electricity and/or gas price forecasts and updated discount rate	Updated electricity and/or gas price forecasts and updated discount rate
Basis for recoverable amount	Value in use	Value in use
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND Thermal Power GmbH & Co KG budgets (based mainly on near-market data)	VERBUND Thermal Power GmbH & Co KG budgets (based mainly on near-market data)
Volume	Optimisation model with primary inputs: installed capacity, heat extraction (maximum 400 MW) and efficiency at full capacity (58.8%)	Optimisation model with primary inputs: installed capacity, heat extraction (maximum 400 MW) and efficiency at full capacity (58.8%)
Price	Internal price forecasts; temporarily expected revenue from the grid reserve, congestion management, redispatch and market use, including heat extraction in the winter for one line (Q4/2022 to Q1/2023); estimate of operating, maintenance and downtime costs by the responsible managers	Internal price forecasts; temporarily expected revenue from the grid reserve, congestion management, redispatch and market use, including heat extraction in the winter for one line (Q4/2022 to Q1/2023); estimate of operating, maintenance and downtime costs by the responsible managers
Planning period	Total capacity averaging around 100,000 equivalent operating hours or until 2040 (dependent on earlier entry)	Total capacity averaging around 100,000 equivalent operating hours or until 2040 (dependent on earlier entry)
Key measurement assumptions	Discount rate, expected revenue from the grid reserve, congestion management and redispatch, development of clean spark spreads	Discount rate, expected revenue from the grid reserve, congestion management and redispatch, development of clean spark spreads
After-tax discount rate[2]	WACC: 4.25%	WACC: 5.25%
Recoverable amount	€109.9m	€164.9m
Reversal of impairment losses during the period[3]	€+ 24.5m	€+ 56.0m

[1] The last impairment test was conducted as at 30 June 2022. As at 30 September 2022 there were no indications of impairment or a reduction of previously recognised impairment losses. // [2] The implicit input tax interest rate determined through a process of iteration amounted to 6.82% as at 30 June 2022 (31 December 2021: 5.67%). // [3] The reversal of impairment losses as at 30 June 2022 was reduced by the change in deferred government grants in the amount of €1.6m (31 December 2021: €0.7m).

Impairment testing of the Gratkorn power plant on the Mur River

	30/6/2022[1]
Cash-generating unit	River power plant in the area of the Mur River (50% owned by VERBUND Hydro Power GmbH (VHP), 50% owned by Energie Steiermark Green Power GmbH)
Basis for recoverable amount	Value in use
Indications of impairment	Updated electricity price forecasts and updated discount rate
Valuation technique	Net present value approach (DCF method)
Derivation of cash flow	VHP's budgets (based primarily on near-market data)
Volume	The annual output corresponding to the mean energy capability of 56 GWh (for 100% of the power plant)
Price	Internal price forecasts; discounts for generation characteristics and the hydrological forecast and availability risk; premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices); estimate of the maintenance costs by the managers responsible
Planning period	Detailed planning phase: 6 years; rough planning phase: 23 years followed by a terminal value phase
Key measurement assumptions	Electricity price, discount rate
After-tax discount rate[2]	WACC: 5.25%
Recoverable amount	€2.9m
Impairment losses in the period[3]	€–12.9m

[1] The last impairment test was conducted as at 30 June 2022. As at 30 September 2022 there were no indications of (further) impairment or a reduction of previously recognised impairment losses. // [2] The iteratively calculated implicit pre-tax interest rate was 5.90% as at 30 June 2022. // [3] The impairment loss as at 30 June 2022 was reduced by the €0.7m change in deferred government grants.

Impairment testing of goodwill for Gas Connect Austria

	31/12/2021[1]	**30/6/2022[1,2]**
Group of cash generating units	Gas Connect Austria GmbH (GCA), Austrian Gas Grid Management AG (AGGM), Trans Austria Gasleitung GmbH (TAG), TAG profit participation right with respect to material assets plus goodwill less deferred tax accruals	Gas Connect Austria GmbH (GCA), Austrian Gas Grid Management AG (AGGM), Trans Austria Gasleitung GmbH (TAG), TAG profit participation right with respect to material assets plus goodwill less deferred tax accruals
Basis for recoverable amount	Fair value (Level 3) less costs of disposal	Fair value (Level 3) less costs of disposal
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	GCA budgets (based primarily on near-market data)	GCA budgets (based primarily on near-market data)
Volume	Capacity bookings	Capacity bookings
Price	Regulatory tariffs published by the regulator	Regulatory tariffs published by the regulator
Planning period	Detailed planning phase: 6 years; rough planning phase: 23 years plus regulatory asset base (RAB) as exit value	Detailed planning phase: 6 years; rough planning phase: 23 years plus regulatory asset base (RAB) as exit value
Key measurement assumptions	Regulatory interest rate of the RAB	Regulatory interest rate of the RAB
After-tax discount rate	Determination of discount rate taking into account regulatory framework conditions	Determination of discount rate taking into account regulatory framework conditions
Recoverable amount	€852.7m	€799.0m
Impairment losses during the period	€–8.8m	€–16.8m

[1] The following explanations relate to the second step of the two-step impairment test of the group of GCA cash-generating units. The recoverability of the GCA units including AGGM, the equity interest in TAG and the TAG profit participation right with respect to material assets were tested in the first step. // [2] The last impairment test was conducted as at 30 June 2022. As at 30 September 2022 there were no indications of (further) impairment or a reduction of previously recognised impairment losses.

(8) Result from interests accounted for using the equity method

Result from interests accounted for using the equity method €m

	Q1 – 3/2021 Domestic	**Q1 – 3/2022 Domestic**	Change	Q1 – 3/2021 Foreign	**Q1 – 3/2022 Foreign**	Change
Income or expenses	27.6	**9.5**	– 65.6%	0.0	**0.3**	n/a

(9) Interest income

Interest income €m

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Interest from investments under closed items on the balance sheet	23.2	23.6	1.8%
Other interest and similar income	6.2	3.2	– 48.9%
Interest income	29.4	**26.8**	– 13.8%

(10) Interest expenses

Interest expenses €m

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Interest on financial liabilities under closed items on the balance sheet	23.2	23.6	1.8%
Interest on other liabilities from electricity supply commitments	10.4	9.6	– 7.1%
Interest on bonds	7.9	9.5	20.8%
Interest on a share redemption obligation	4.9	6.1	23.3%
Interest on bank loans	5.7	5.9	3.6%
Net interest expense on personnel-related liabilities	4.1	5.2	27.5%
Interest on other non-current provisions	0.8	1.6	103.0%
Interest on leases	0.8	0.8	12.3%
Borrowing costs capitalised in accordance with IAS 23	– 3.6	– 7.2	– 99.6%
Other interest and similar expenses	3.8	13.7	n/a
Interest expenses	58.0	**68.9**	18.9%

(11) Other financial result

Other financial result €m

	Q1 – 3/2021	**Q1 – 3/2022**	Change
Measurement of an obligation to return an interest[1]	12.7	28.0	121.3%
Measurement of derivatives in the finance area	1.8	3.1	78.2%
Income from securities and loans	1.5	1.1	– 28.8%
Measurement of non-derivative financial instruments	4.5	– 9.3	n/a
Measurement of a profit participation right with respect to material assets[2]	0.0	– 11.3	n/a
Other	0.1	– 1.1	n/a
Other financial result	20.5	**10.4**	139.6%

[1] The obligation to transfer the 50% interest in Donaukraftwerk Jochenstein AG back to the Free State of Bavaria without exchange of consideration is measured at amortised cost. The expected fair value of the interest at the transfer date (31 December 2050) is calculated periodically and discounted based on the original effective interest rate. Changes in the expected fair value of the interest are recognised in the other financial result. // [2] VERBUND has a profit participation right with respect to the material assets of TAG. They are measured at fair value through profit or loss.

(12) Impairment losses

The recoverability of the investments in TAG and Ashta Beteiligungsverwaltung GmbH (Ashta) accounted for using the equity method had to be tested as at 30 June 2022. The reasons for the impairment test were, on the one hand, changes in the economic environment, in particular higher electricity and gas prices, and, on the other hand, adjusted discount rates. The calculated recoverable amount was €50.8m with respect to TAG and €18.1m with respect to Ashta. In quarters 1 – 2/2022, impairment losses of €3.3m were recognised for TAG and of €0.9m for Ashta. As at 30 September 2022 there were no indications of (further) impairment or a reduction of previously recognised impairment losses (Q1 – 3/2021: €0.0m).

(13) Taxes on income

The Austrian National Council approved the eco-social tax reform in its third reading in quarter 1/2022. The corporate income tax rate applicable in Austria will be lowered from 25% at present to 24% beginning in 2023 and to 23% beginning in 2024. The revaluation of deferred tax necessitated by these changes resulted in income of €56.6m.

Notes to the statement of comprehensive income

(14) Remeasurements of the net defined benefit liability

Provisions for pensions and similar obligations and for statutory termination benefits were measured based on an actuarial report updated as at 30 June 2022. The discount rates used were 2.75% instead of 1.25% (obligations similar to pensions), 2.50% instead of 1.00% (pension obligations) and 2.25% instead of 0.75% (severance payment obligations). Future salary increases were taken into account at 6.75% to 2.75% (31 December 2021: 2.75%) and future pension increases at 2.00% to 1.00% (31 December 2021: 1.75% to 1.00%).

Notes to the balance sheet

(15) Inventories

Inventories €m

	31/12/2021	**30/9/2022**	Change
Inventories of primary energy sources held for generation	23.1	**95.3**	n/a
Emission rights held for trading	4.8	14.6	n/a
Measurements of emission rights held for trading	8.6	4.3	–50.0%
Fair value of emission rights held for trading	13.3	**18.9**	41.8%
Proof of origin and green electricity certificates	1.7	**5.3**	n/a
Other	11.8	**14.5**	22.5%
Inventories	49.9	**133.9**	168.3%

The measurement benchmark for inventories of natural gas and emission rights held for trading by VERBUND is the fair value less costs to sell in accordance with the exemption provided for raw materials and commodity broker-traders (brokerage exemption). The market price for front-month gas forwards on the Central European Gas Hub (CEGH) or NetConnect Germany (NCG) is the relevant price for inventories of natural gas held for trading. The fair value of emission rights held for trading corresponds to the market price on the European Energy Exchange (EEX). The fair values are thus based on Level 1measurements.

(16) Additional information regarding financial instruments

Carrying amounts and fair values by measurement category 30/9/2022

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	13.4	13.4
Interests in unconsolidated subsidiaries	FVOCI	AC	321.2	321.2
Other equity interests	FVOCI	1	29.7	29.7
Other equity interests	FVOCI	2	117.0	117.0
Other equity interests	FVOCI	AC	16.4	16.4
Other equity interests			**497.8**	
Securities	FVPL	1	154.0	154.0
Securities	FVOCI	3	6.7	6.7
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	78.6	76.3
Other loans – closed items on the balance sheet	AC	2	359.1	362.0
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	39.5	39.5
Loans to investees	AC	2	60.0	54.2
Loans to affiliated companies	AC	2	2.7	2.7
Other loans	AC	2	5.7	4.9
Other	FVPL	3	32.4	32.4
Other	–	–	37.2	–
Investments and other receivables			**777.2**	
Trade receivables	AC	–	984.0	–
Receivables from investees	AC	–	51.7	–
Loans to investees	AC	2	3.5	3.0
Other loans	AC	2	0.0	0.0
Derivatives in the energy area	FVPL	1	6.6	6.6
Derivatives in the energy area	FVPL	2	4,758.2	4,758.2
Securities	FVPL	1	0.2	0.2
Emission rights	–	–	28.6	–
Other	AC	–	1,492.7	–
Other	–	–	77.8	–
Trade receivables, other receivables and securities			**7,403.3**	
Cash and cash equivalents	**AC**	**–**	**487.2**	**–**
Aggregated by measurement category				
Financial assets at amortised cost	AC		3,525.2	
Financial assets at fair value through profit or loss	FVPL		4,990.9	
Financial assets at fair value through other comprehensive income	FVOCI		505.8	

Carrying amounts and fair values by measurement category 30/9/2022

€m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	1,172.6	941.0
Financial liabilities to banks and to others	AC	2	2,959.6	2,960.0
Financial liabilities to banks – closed items on the balance sheet	AC	2	151.0	336.9
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	321.8	321.8
Capital shares attributable to limited partners	–	–	7.7	–
Put liability	AC	–	36.1	–
Non-current and current financial liabilities			**4,648.9**	
Electricity supply commitment	–	–	116.7	–
Obligation to return an interest	AC	3	118.5	165.3
Trade payables	AC	–	3.2	–
Lease liabilities	–	–	92.8	–
Other	AC	–	185.2	–
Non-current other liabilities			**520.6**	
Trade payables	AC	–	391.2	–
Derivatives in the energy area	FVPL	1	906.7	906.7
Derivatives in the energy area	FVPL	2	8,754.1	8,754.1
Derivatives in the finance area	FVPL	2	0.0	0.0
Lease liabilities	–	–	8.6	–
Other	AC	–	220.7	–
Other	–	–	174.9	–
Trade payables and current other liabilities			**10,456.3**	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		5,238.2	
Financial liabilities at fair value through profit or loss	FVPL		9,660.9	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		321.8	

Carrying amounts and fair values by measurement category 31/12/2021

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	13.4	13.4
Interests in unconsolidated subsidiaries	FVOCI	AC	0.6	0.6
Other equity interests	FVOCI	1	29.7	29.7
Other equity interests	FVOCI	2	117.0	117.0
Other equity interests	FVOCI	AC	16.4	16.4
Other equity interests			177.1	
Securities	FVPL	1	130.4	130.4
Securities	FVOCI	3	6.7	6.7
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	67.7	65.4
Other loans – closed items on the balance sheet	AC	2	309.2	328.9
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	70.3	70.3
Loans to investees	AC	2	24.6	23.8
Other loans	AC	2	5.6	6.0
Other	FVPL	3	43.5	43.5
Other	–	–	36.5	–
Investments and other receivables			695.8	
Trade receivables	AC	–	818.4	–
Receivables from investees	AC	–	57.6	–
Loans to investees	AC	2	49.1	49.6
Other loans	AC	2	0.0	0.0
Derivatives in the energy area	FVPL	1	31.3	31.3
Derivatives in the energy area	FVPL	2	2,226.5	2,226.5
Securities	FVPL	1	4.3	4.3
Emission rights	–	–	31.2	–
Other	AC	–	609.3	–
Other	–	–	38.1	–
Trade receivables, other receivables and securities			3,865.7	
Cash and cash equivalents	AC	–	318.6	–
Aggregated by measurement category				
Financial assets at amortised cost	AC		2,260.0	
Financial assets at fair value through profit or loss	FVPL		2,506.2	
Financial assets at fair value through other comprehensive income	FVOCI		185.2	

Carrying amounts and fair values by measurement category 31/12/2021

€m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	990.6	1,019.8
Financial liabilities to banks and to others	AC	2	1,858.8	1,740.2
Financial liabilities to banks – closed items on the balance sheet	AC	2	117.1	150.9
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	330.1	330.1
Capital shares attributable to limited partners	–	–	0.0	–
Non-current and current financial liabilities			3,296.6	
Electricity supply commitment	–	–	126.5	–
Obligation to return an interest	AC	3	140.4	243.3
Trade payables	AC	–	2.1	–
Lease liabilities	–	–	86.0	–
Other	AC	–	107.2	–
Non-current other liabilities			462.1	
Trade payables	AC	–	293.6	–
Derivatives in the energy area	FVPL	1	117.4	117.4
Derivatives in the energy area	FVPL	2	3,755.1	3,755.1
Derivatives in the finance area	FVPL	2	5.9	5.9
Lease liabilities	–	–	8.3	–
Other	AC	–	324.8	–
Other	–	–	109.8	–
Trade payables and current other liabilities			4,614.7	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		3,834.5	
Financial liabilities at fair value through profit or loss	FVPL		3,878.3	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		330.1	

Of the derivative financial instruments in the energy area classified as FVPL in the above tables, positive fair values of €1,701.5m (31 December 2021: €504.1m) and negative fair values of €6,496.6m (31 December 2021: €2,425.8m) relate to hedging relationships designated as cash flow hedges. These fair values represent gross amounts; following the inter-portfolio netting carried out in accordance with VERBUND’s accounting policies, cash flow hedges can no longer be isolated.

Valuation techniques and input factors for determining fair values

Level	Financial instruments	Valuation technique	Input factor
1	Energy forwards	Market approach	Settlement price published by the stock exchange
1	Securities, other equity interest in Burgenland Holding AG	Market approach	Stock exchange price
2	Securities and other loans under closed items on the balance sheet, long-term loans, liabilities to banks, bonds and other financial liabilities	Net present value approach	Payments associated with the financial instruments, yield curve, credit risk of the contracting parties (credit default swaps or credit spread curves)
2	Interests in unconsolidated subsidiaries, other equity interests in Energie AG Oberösterreich and RTE	Market approach	Trading multiple, transaction price
2	Non-listed energy forwards	Net present value approach	Forward price curve derived from stock exchange prices, yield curve, credit risk of the contracting parties
2	Other financial assets and liabilities measured at fair value through profit or loss in the finance area	Net present value approach	Cash flows already fixed or determined via forward rates, yield curve, credit risk of the contracting parties
3	Return obligation (obligation to transfer back the 50% interest acquired in Donaukraftwerk Jochenstein AG)	Net present value approach	Price forecasts for electricity, weighted average cost of capital after taxes
3	Securities (shares of Wiener Börse AG)	Net present value approach	Expected distribution of profits, cost of equity
3	Other non-current receivables (TAG profit participation right with respect to material assets)	Net present value approach	Expected distribution of profits, cost of equity
AC	Other interests in unconsolidated subsidiaries, other equity interests and other securities	–	Cost as a best estimate of fair value
–	Cash and cash equivalents, trade receivables and payables, current other receivables, other borrowing within current credit lines as well as current other liabilities	–	Carrying amounts as a best estimate of fair value

Other note disclosures

Dividends paid

Dividends paid	Total (€m)	Number of ordinary shares	Per share (€)
Dividend paid in 2022 for financial year 2021	364.8	347,415,686	1.05
Dividend paid in 2021 for financial year 2020	260.6	347,415,686	0.75

Purchase commitments

Purchase commitments for property, plant and equipment, intangible assets and other services

€m

	30/9/2022	of which due in 2022	of which due 2023 – 2027
Total commitment	**1,146.9**	485.2	661.7

Court proceedings pending

There were no significant developments compared with the status described as at 31 December 2021 in connection with the claims for damages asserted in the wake of the flooding of the Drau River in 2012. No disclosures have been provided in respect of any contingent liabilities or provisions because it is likely that such note disclosures would seriously prejudice VERBUND's position in the proceedings.

In connection with the amortisation of goodwill for the investment in VERBUND Innkraftwerke GmbH claimed for tax purposes for the years 2014 – 2023, the appeals against the 2014 to 2019 notices of assessment for the group parent remain pending. The tax benefit for these years (reduction of future tax payments in the amount of €8.2m per year) is recognised in accordance with VERBUND's accounting policies if it is reasonably likely to arise.

In January 2020, GCA was informed of the initiation of arbitration proceedings by a transportation customer under Article 4 of the International Chamber of Commerce (ICC) Rules of Arbitration. The subject of the proceedings is contracts for the provision of capacities for the transportation of natural gas. The amount in dispute is approximately €194.0m. No disclosures have been provided in respect of any contingent liabilities or provisions that may arise in relation to these claims for damages because it is likely that such note disclosures would seriously prejudice GCA's position in these proceedings.

Transactions with related parties

Transactions with investees accounted for using the equity method

€m

	Q1–3/2021	Q1–3/2022	Change
Income statement			
Electricity revenue	41.7	55.2	32.6%
Grid revenue	25.5	34.9	37.1%
Other revenue	4.2	6.1	44.2%
Other operating income	4.9	2.3	–53.7%
Expenses for electricity, grid, gas and certificates purchases	–18.1	–43.9	142.4%
Fuel expenses and other usage-/revenue-dependent expenses	–0.8	–2.4	n/a
Other operating expenses	–5.6	–25.0	n/a
Interest income	0.9	0.6	–38.1%
Other financial result	1.2	0.8	–37.2%

Transactions with investees accounted for using the equity method

€m

	31/12/2021	30/9/2022	Change
Balance sheet			
Investments and other receivables	5.7	41.0	n/a
Trade receivables, other current receivables and securities	67.6	23.5	–65.2%
Contributions to building costs and grants	277.8	274.1	–1.3%
Trade payables and other current liabilities	9.0	11.2	24.4%

Electricity revenue with equity-accounted investees was generated mainly with KELAG-Kärntner Elektrizitäts-Aktiengesellschaft (KELAG) (€50.7m; Q1–3/2021: €36.2m) and with OeMAG Abwicklungsstelle für Ökostrom (OeMAG) (€4.5m; Q1–3/2021: €5.4m). The electricity revenue was offset by electricity purchases from KELAG in the amount of €37.8m (Q1–3/2021: €17.0m). Grid revenue with investees accounted for using the equity method of accounting was generated with KELAG.

Electricity revenue with companies controlled or significantly influenced by the Republic of Austria amounted to a total of €106.0m (Q1–3/2021: €52.2m). Electricity was purchased by ÖBB, OMV and Telekom Austria as well as Bundesbeschaffung GmbH. Electricity purchased from companies controlled or significantly influenced by the Republic of Austria totalled €27.9m (Q1–3/2021: €5.0m). The electricity was supplied primarily by ÖBB. Gas trading contracts with OMV and gas deliveries on the part of OMV resulted in a total expense of €102.1m in other revenue and purchased gas, respectively (Q1–3/2021: €55.3m).

VERBUND's expenses for monitoring by E-Control amounted to €11.4m (Q1–3/2021: €9.5m).

Audit and/or review

These consolidated interim financial statements of VERBUND have been neither audited nor reviewed by an auditor.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 30 September 2022 and authorisation for issue on 24 October 2022.

Vienna, 24 October 2022

Executive Board

Michael Strugl
Chairman of the Executive Board of VERBUND AG

Peter F. Kollmann
CFO, Member of the Executive Board of VERBUND AG

Achim Kaspar
Member of the Executive Board of VERBUND AG

Responsibility statement of the legal representatives

We confirm according to the best of our knowledge that the condensed consolidated interim financial statements of VERBUND for the period ended 30 September 2022, prepared in accordance with the accounting standards for interim financial reports under International Financial Reporting Standards (IFRSs), give a true and fair view of the assets and liabilities, financial position and profit or loss of the Group.

We also confirm that the interim Group management report of VERBUND gives a true and fair view of the assets and liabilities, financial position and profit or loss of the Group with respect to the important events during the first nine months of the financial year and their effects on the condensed consolidated interim financial statements for the period ended 30 September 2022, as well as with respect to the principal risks and uncertainties in the remaining three months of the financial year.

Vienna, 24 October 2022

Executive Board

Michael Strugl
Chairman of the Executive Board of VERBUND AG

Peter F. Kollmann
CFO, Member of the Executive Board of VERBUND AG

Achim Kaspar
Member of the Executive Board of VERBUND AG

EDITORIAL DETAILS

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Shareholder structure:
– Republic of Austria (51.0%)
– Syndicate (> 25.0%) consisting of EVN AG (the shareholders of which are Niederösterreichische Landes-Beteiligungsholding GmbH, 51%, and Wiener Stadtwerke, 28.4%) and Wiener Stadtwerke (the sole shareholder is the City of Vienna)
– TIWAG-Tiroler Wasserkraft AG (> 5.0%; the sole shareholder is the province of Tyrol)
– Free float (< 20.0%): no further information is available concerning owners of shares in free float.

Legal and statutory limitations of voting rights:
With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51%, the voting rights of each shareholder in the Annual General Meeting are restricted to 5% of the share capital.

Regulatory body/trade associations:
E-Control GmbH/E-Control Kommission
Wirtschaftskammer Österreich
Oesterreichs Energie

Object of the Group:
The Group focus is the generation, transportation, trading with and sale of electrical energy and energy from other sources as well as the provision and performance of energy services.

Purpose of publication:
Information of customers, partners and the general public about the utilities sector and the Group

Specific laws applicable:
Austrian Electricity Industry and Organisation Act (Elektrizitätswirtschafts- und -organisationsgesetz, ElWOG) with associated regulations and implementation laws. The legal bases listed can be accessed via the legal information system of the Federal Chancellery of the Republic of Austria at www.ris.bka.gv.at.


V
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